

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF SALT RIVER RURAL)	CASE NO. 9755
ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1984, TO)	
OCTOBER 31, 1986)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Salt River Rural Electric Cooperative Corporation ("Salt River") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge. Salt River was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties or by the Commission on its own motion.

Salt River filed all requested information, including its monthly fuel charges for the 2-year period under review and its affidavit of compliance with the provisions of the fuel adjustment clause as prescribed in 807 KAR 5:056. Following proper notice, no party of record requested Salt River to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of (1.46) mills per KWH to the base rates of Salt River's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9731. Approval of East Kentucky's proposal requires that Salt River also be authorized to roll-in those same fuel costs to its base rates.

The Commission, having considered the evidence of record and being advised, finds that:

1. Salt River has complied in all material respects with the provisions of 807 KAR 5:056.

2. Salt River's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of (1.46) mills per KWH in Case No. 9731.

3. Salt River should be authorized to decrease the rates charged its customers by 1.54 mills per KWH in order to transfer fuel costs rolled-in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 9731 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

IT IS THEREFORE ORDERED that:

(1) The charges and credits applied by Salt River through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

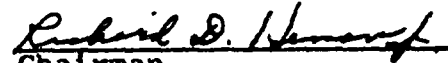
(2) Salt River be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9731.

(3) The rates in Appendix A be and they hereby are approved for service rendered by Salt River on and after May 1, 1987, which is also the effective date for East Kentucky's rates.

(4) Within 30 days from the date of this Order Salt River shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9755 DATED 4/28/87

The following rates and charges are prescribed for the customers in the area served by Salt River Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A-5 FARM AND HOME SERVICE*

Availability

Available to members of the Cooperative for all Farm and Home uses subject to the established rules and regulations of the Seller. The capacity of individual motors served upon this schedule shall not exceed 10 h.p.

Type of Service

Single phase, 60 Hertz, at available secondary voltage.

Rates:

First	40 KWH Per Month (minimum bill)	\$ 6.33	Per Month
Next	60 KWH Per Month	.07403	Per KWH
Next	100 KWH Per Month	.06066	Per KWH
Next	800 KWH Per Month	.05773	Per KWH
Next	1,000 KWH Per Month	.05459	Per KWH
Over	2,000 KWH Per Month	.05041	Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$6.33 where 25 KVA or less transformer capacity is required. For members requiring more than 25 KVA transformer capacity, the minimum monthly charge shall be increased at the rate of \$.75 of each additional KVA or fraction thereof required. Payment of the minimum charge shall entitle the member in all cases to the use of the number of kilowatt hours, corresponding to the minimum charge in accordance with the foregoing rate.

SCHEDULE A-5T
FARM AND HOME SERVICE - TAXABLE

RATES

First	40 KWH Per Month (Minimum)	\$6.33	Per Month
Next	60 KWH Per Month	.07403	Per KWH
Next	100 KWH Per Month	.06066	Per KWH
Next	800 KWH Per Month	.05773	Per KWH
Next	1,000 KWH Per Month	.05459	Per KWH
Over	2,000 KWH Per Month	.05041	Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$6.33 where 25 KVA or less transformer capacity is required. For members requiring more than 25 KVA transformer capacity, the minimum monthly charge shall be increased at the rate of \$.75 of each additional KVA or fraction thereof required. Payment of the minimum charge shall entitle the member in all cases to the use of the number of kilowatt hours, corresponding to the minimum charge in accordance with the foregoing rate.

SCHEDULE A-5 T-O-D
FARM AND HOME SERVICE T-O-D*

RATES

On-Peak Rate:	First 40 KWH/Mo. (Minimum)	\$6.33
	Service Charge	3.37
	Under 100 KWH/Mo.	.07403/KWH
	Service Charge	4.70
	101 to 200 KWH/Mo.	.06066/KWH
	Service Charge	5.29
	201 - 1000 KWH/Mo.	.05773/KWH
	Service Charge	8.43
	1001 to 2000 KWH/Mo.	.05459/KWH
	Service Charge	16.80
	Over 2000 KWH/Mo.	.05041/KWH
Off-Peak Rate:	41 to 100 KWH/Mo.	.04275/KWH
	101 to 200 KWH/Mo.	.03473/KWH
	201 to 1000 KWH/Mo.	.03297/KWH
	1001 to 2000 KWH/Mo.	.03109/KWH
	Over 2000 KWH/Mo.	.02858/KWH

The total kilowatt-hours used per month will determine the rate block for both on-peak and off-peak kilowatt-hour and service charge.

SCHEDULE B-2
COMMERCIAL AND SMALL POWER SERVICE*

Rates:

First	40 KWH Per Month (minimum bill)	\$6.65 Per Month
Next	60 KWH Per Month	.11274 Per KWH
Next	200 KWH Per Month	.08840 Per KWH
Next	700 KWH Per Month	.07043 Per KWH
Over	1,000 KWH Per Month	.06207 Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$6.65 where 37.5 KVA or less of transformer capacity is required.

Temporary Service

Temporary service shall be supplied in accordance with the foregoing rate except that there shall be additional charge of \$5.87 for each kilowatt or fraction thereof of installed capacity for each month or fraction thereof that service is connected. Bills will not be pro-rated for a fractional part of a month.

Conditions of Service

(d)(1) An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

SCHEDULE LLP-1
LARGE POWER SERVICE (Over 37.5 - Under 500 KW)*

Rates:

- \$ 5.83 per month per KW of Billing Demand plus Energy Charges of:
- \$.05429 per KWH for the first 50 KWH used per month per KW of billing demand.
- \$.04593 per KWH for the next 50 KWH used per month per KW of billing demand.
- \$.04366 per KWH for all remaining KWH used per month.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 80 percent the demand for billing purpose shall be the demand as indicated or recorded by the demand meter multiplied by 80 percent and divided by the percent power factor.

Conditions of Service

- 4(a) An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

SCHEDULE LLP-2 LARGE POWER 500 KW UNDER 3,000 KW* (Secondary Voltage)

Rates:

Demand Charge

\$ 5.83 Per Month per KW of Billing Demand

Energy Charge

First 20,000 KWH Per Month	\$.05509 Per KWH
Next 20,000 KWH Per Month	.04172 Per KWH
Over 40,000 KWH Per Month	.03723 Per KWH

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 80 percent the demand for billing purpose shall be the demand as indicated or recorded by the demand meter multiplied by 80 percent and divided by the percent power factor.

Conditions of Service

- 4.(a) An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

- 4.(b) The consumer shall guarantee a minimum annual revenue of not less than 18 percent of the estimated additional investment required to extend service which shall include the additional cost of meters, transformers and any additions to or alterations of lines, and equipment necessary to make service available. Minimum charges for service shall be based on the KVA of installed transformer capacity. In all other cases, the minimum charge shall be based on KVA of transformer capacity as hereinafter provided.

SCHEDULE OL
OUTDOOR LIGHTING SERVICE*

Rate Per Fixture:

<u>Type of Fixture</u>	<u>Lumen Output</u>	<u>Rate</u>
Mercury Vapor or HPS	7000-9000	\$5.89 per month

SCHEDULE OL-1
STREET LIGHTING SERVICE*

Rates:

First	40 KWH Per Month (minimum bill)	\$7.13	Per Month
Next	60 KWH Per Month	.09568	Per KWH
Next	100 KWH Per Month	.07332	Per KWH
Next	300 KWH Per Month	.05838	Per KWH
Over	500 KWH Per Month	.04626	Per KWH

SCHEDULE LLP-3
LARGE POWER 500 KW - 3,000 KW*
(Primary Voltage)

Rates:

Demand Charge

\$5.82 Per Month per KW of Billing Demand

Energy Charge

First	20,000 KWH Per Month	\$.06163 Per KWH
Next	20,000 KWH Per Month	.04731 Per KWH
Over	40,000 KWH Per Month	.04282 Per KWH

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 80 percent, the demand for billing purpose shall be the demand as indicated or recorded by the demand meter multiplied by 80 percent and divided by the percent power factor.

Conditions of Service

- 5(a) An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

SCHEDULE LPR-1 LARGE POWER 3,000 KW AND OVER*

Rates:

Demand Charge

\$8.23 Per Month per KW of Billing Demand

Energy Charge

First	100,000 KWH Per Month	\$.04568 Per KWH
Next	900,000 KWH Per Month	.03114 Per KWH
Over	1,000,000 KWH Per Month	.02649 Per KWH

Availability

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 3,000 KW for lighting and/or heating and/or power, and who are served directly from a distribution substation with no other consumer served from that station.

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 80 percent, the demand for billing purpose shall be the demand indicated or recorded by the demand meter multiplied by 80 percent and divided by the percent power factor.

SCHEDULE LPR-2

Rates:

<u>Demand Charge</u>	\$8.23 Per Month
First 100,000 KWH Per Month	.04568 Per KWH
Next 900,000 KWH Per Month	.03114 Per KWH
Over 1,000,000 KWH Per Month	.02649 Per KWH

*Fuel Clause Adjustment

The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses.